

Financial Report

Jefferson Convention & Visitors Bureau, Inc.

December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Jefferson Convention & Visitors Bureau, Inc.,
Harahan, Louisiana.

Opinion

We have audited the accompanying financial statements of the Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a non-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bureau as of December 31, 2021, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information in Schedule 1 is presented for the purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3), and is not a required part of the financial statements. Such information in Schedule 1 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information in Schedule 1 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule 1 is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Bureau's 2020 financial statements, and our report dated May 13, 2021, expressed an unmodified opinion, on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2020 is consistent, in all material respects, with the 2020 audited financial statements from which it has been derived.

Other Reporting Required of *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of the Bureau's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 13, 2022.

STATEMENT OF FINANCIAL POSITION**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaDecember 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 4,839,704	\$ 2,823,083
Accounts receivable	336,613	147,949
Investments	206,513	206,418
Prepaid assets	29,901	11,995
Property and equipment, net	<u>1,060,288</u>	<u>1,061,409</u>
Total assets	<u>\$ 6,473,019</u>	<u>\$ 4,250,854</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 112,098	\$ 105,442
Deferred revenue	1,926,760	-
Notes payable	319,406	833,334
Economic Injury Disaster Loan payable	149,900	149,900
Paycheck Protection Program loan payable	<u>167,685</u>	<u>167,700</u>
Total liabilities	<u>2,675,849</u>	<u>1,256,376</u>
Net Assets		
Without donor restrictions:		
Board designated	362,923	344,598
Undesignated	<u>3,431,516</u>	<u>2,647,149</u>
Total net assets without donor restrictions	3,794,439	2,991,747
With donor restrictions	<u>2,731</u>	<u>2,731</u>
Total net assets	<u>3,797,170</u>	<u>2,994,478</u>
Total liabilities and net assets	<u>\$ 6,473,019</u>	<u>\$ 4,250,854</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2021
(with comparative totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
Revenues and Other Support				
Occupancy tax revenue - Jefferson	\$1,159,134	\$ -	\$1,159,134	\$ 917,955
Tourism support assessment	990,832	-	990,832	651,154
Events program	272,106	-	272,106	371,595
Economic Injury Disaster Grant	-	-	-	10,000
Paycheck Protection Program loan forgiveness	167,700	-	167,700	-
Membership participation	21,875	-	21,875	20,775
Rhythm on the Route - Jefferson	-	-	-	71,573
Louisiana Office of Tourism	141,175	-	141,175	20,126
Interest	1,084	-	1,084	3,941
Other income	3,095	-	3,095	2,359
	<u>2,757,001</u>	<u>-</u>	<u>2,757,001</u>	<u>2,069,478</u>
Net Assets Released From Restrictions				
Expiration of time restrictions and program restrictions satisfied through payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,757,001</u>	<u>-</u>	<u>2,757,001</u>	<u>2,069,478</u>

**Exhibit B
(Continued)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
Expenses				
Depreciation	1,121	-	1,121	12,468
Equipment - rental	1,769	-	1,769	7,986
Equipment - repairs	10,642	-	10,642	10,521
Insurance	14,237	-	14,237	21,018
Interest	28,334	-	28,334	35,187
Marketing and promotion:				
Collateral materials	15,243	-	15,243	14,654
Cooperative programs	16,467	-	16,467	18,133
Equipment purchases	30,597	-	30,597	39,042
Internet advertising	216,362	-	216,362	177,226
Media/brand management	336,159	-	336,159	266,297
Other	65,663	-	65,663	117,444
Product development	263,678	-	263,678	609,171
Rhythm on the Route	-	-	-	57,408
Trade shows	3,987	-	3,987	10,125
Travel	5,415	-	5,415	12,304
Office expense	7,431	-	7,431	3,602
Postage	609	-	609	706
Professional/technical	54,848	-	54,848	51,910
Rent	9,809	-	9,809	8,154
Salaries and benefits	859,387	-	859,387	853,835
Telephone	12,551	-	12,551	6,783
	<u>1,954,309</u>	<u>-</u>	<u>1,954,309</u>	<u>2,333,974</u>
Change in Net Assets	802,692	-	802,692	(264,496)
Net Assets				
Beginning of year	<u>2,991,747</u>	<u>2,731</u>	<u>2,994,478</u>	<u>3,258,974</u>
End of year	<u><u>\$3,794,439</u></u>	<u><u>\$ 2,731</u></u>	<u><u>\$3,797,170</u></u>	<u><u>\$2,994,478</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Jefferson Convention & Visitors Bureau, Inc.**

Harahan, Louisiana

For the year ended December 31, 2021
(with comparative totals for 2020)

	Program Services		Total Program Services	General and Administrative	Totals	
	Events Program	Tourism Program			2021	2020
Salaries	\$ -	\$ 508,557	\$ 508,557	\$240,482	\$ 749,039	\$ 741,046
Media/brand management	5,882	330,277	336,159	-	336,159	266,297
Product development	253,169	10,507	263,676	-	263,676	609,171
Advertising	4,118	117,980	122,098	-	122,098	91,374
Marketing and promotion	2,500	109,364	111,864	-	111,864	89,280
Payroll taxes	-	40,915	40,915	17,473	58,388	55,831
Professional fees	-	35,090	35,090	19,758	54,848	51,910
Employee benefits	-	36,229	36,229	15,731	51,960	59,008
Other program expense	-	33,633	33,633	-	33,633	38,527
Equipment purchases	-	30,597	30,597	-	30,597	39,042
Interest	-	28,334	28,334	-	28,334	35,187
Collateral materials	-	15,243	15,243	-	15,243	14,654
Insurance	5,924	4,042	9,966	4,271	14,237	21,018
Dues and subscriptions	-	12,962	12,962	-	12,962	11,737
Telephone	-	8,786	8,786	3,765	12,551	6,783
Equipment repairs	-	7,449	7,449	3,193	10,642	10,521
Rent	-	6,866	6,866	2,943	9,809	8,154
Research	-	9,004	9,004	-	9,004	33,749
Office expenses	156	2,402	2,558	4,873	7,431	3,602
Website maintenance	205	5,292	5,497	-	5,497	14,910
Travel	-	5,415	5,415	-	5,415	12,304
Trade shows	-	3,987	3,987	-	3,987	10,125
Education	-	2,405	2,405	1,031	3,436	7,255
Equipment rental	-	1,238	1,238	531	1,769	7,986
Mailing and postage	150	366	516	93	609	706
Events	-	-	-	-	-	81,329
Total expenses before depreciation	272,104	1,366,940	1,639,044	314,144	1,953,188	2,321,506
Depreciation of property and equipment	-	1,121	1,121	-	1,121	12,468
Total expenses	<u>\$272,104</u>	<u>\$1,368,061</u>	<u>\$1,640,165</u>	<u>\$314,144</u>	<u>\$1,954,309</u>	<u>\$2,333,974</u>

See notes to the financial statements.

STATEMENT OF CASH FLOWS**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 802,692	\$ (264,496)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,121	12,468
Paycheck Protection Program loan forgiveness	(167,700)	-
(Increase) decrease in assets:		
Accounts receivables	(188,664)	48,512
Prepaid assets	(17,906)	35,580
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	6,656	47,290
Deferred revenue	1,926,760	(15,375)
	<u>2,362,959</u>	<u>(136,021)</u>
Net cash provided by (used in) operating activities		
	<u>2,362,959</u>	<u>(136,021)</u>
Cash Flows From Investing Activities		
Interest on investments reinvested	(95)	(1,330)
Purchases of property and equipment	-	(4,000)
	<u>-</u>	<u>(4,000)</u>
Net cash used in investing activities		
	<u>(95)</u>	<u>(5,330)</u>
Cash Flows From Financing Activities		
Repayments of notes payable	(513,928)	-
Proceeds from Economic Injury Disaster Loan	-	149,900
Proceeds from Paycheck Protection Program loan	167,685	167,700
	<u>167,685</u>	<u>167,700</u>
Net cash provided by (used in) financing activities		
	<u>(346,243)</u>	<u>317,600</u>

**Exhibit D
(Continued)**

	<u>2021</u>	<u>2020</u>
Net Increase in Cash	2,016,621	176,249
Cash		
Beginning of year	<u>2,823,083</u>	<u>2,646,834</u>
End of year	<u>\$ 4,839,704</u>	<u>\$ 2,823,083</u>
 Supplemental Disclosures of Cash Flow Information		
Interest paid	<u>\$ 23,525</u>	<u>\$ 34,499</u>

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS**Jefferson Convention & Visitors Bureau, Inc.**

Harahan, Louisiana

December 31, 2021 and 2020

Note 1 - NATURE OF ACTIVITIES

Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") is a non-profit corporation organized in June of 2000. The mission of the Bureau is to actively partner with the tourism and hospitality industry by marketing and selling the destination brand experience with resulting additional spending by leisure and group travel visitors leading to enhanced community economic vitality and resident quality of life.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

The Bureau is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:287(501).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. The Bureau is no longer subject to tax examinations by taxing authorities for years ended before 2018. As of December 31, 2021, management believes that the Bureau had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

b. Basis of Accounting

The Bureau recognizes revenue and records expenses on the accrual basis of accounting. Under this method, revenue is recognized when earned, and expenses are recorded when the liability is incurred.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Net assets, revenues, and expenses are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Undesignated - net assets that are not subject to donor-imposed stipulations or board designations.

Board Designated - net assets that are to be used for the building of a Jefferson Parish Visitor's Center or for other Board of Directors' approved expenses.

Net Assets with Donor Restrictions - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Bureau and/or the passage of time.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

e. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Bureau considers all investments purchased with an initial maturity of six months or less to be cash equivalents. As of December 31, 2021 and 2020, there were no cash equivalents.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Revenue Recognition

Revenues from Exchange Transactions: The Bureau recognizes revenue in accordance with FASB Accounting Standards Update (ASU) No. 2014-09, "Revenues from Contracts with Customers", as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Bureau records the following exchange transaction revenue in its Statements of Activities for the years ended December 31, 2021 and 2020:

Event Revenue: The Bureau receives sponsorships revenue, food vendor revenue, VIP ticket revenue, and other revenue through the various events produced by the Bureau. Revenue is recognized upon the completion of the event.

Membership Revenue: The Bureau receives annual membership dues from local businesses in exchange for marketing and promotion provided by the Bureau. The Bureau invoices members annually and records membership revenue during the year of membership.

Occupancy Tax Revenue

The Bureau receives the majority of its revenue from Jefferson Parish through Cooperative Endeavor Agreements based on the hotel occupancy tax.

Tourism Support Assessment

Louisiana Revised Statute 21:301-308 was passed to authorize a tourism support assessment by the Bureau. Hotel members are subject to a monthly 1% assessment of the room charges, excluding any room charges that are not subject to state authorized hotel and motel taxes.

Grant Revenue

The Bureau received two state grants during the year ended December 31, 2021 which consisted of the Louisiana Sunshine Grant and State of Louisiana Department of Culture, Recreation and Tourism Cooperative Marketing Grant. These grants are included in Louisiana Office of Tourism on the Statement of Activities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Revenue Recognition (Continued)

Contributions

Contributions and grants are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor or grantor restrictions. Support that is restricted by a donor or grantor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions and grants whose restrictions are met in the same reporting periods are reported as increases in net assets without donor restrictions.

Non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

The Bureau did not have any contributions during the years ended December 31, 2021 and 2020.

g. Allowance for Doubtful Accounts

An allowance for doubtful accounts is estimated based on the Bureau's historical losses, the existing economic conditions, and the financial stability of its customers and members. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible and establishes an allowance for estimated uncollectible accounts receivable. Management believes all accounts receivable are fully collectible as of December 31, 2021 and 2020.

h. Property and Equipment

Property and equipment is stated at cost at the date of acquisition or fair value at the date of donation. The Bureau capitalizes all costs in excess of \$1,500 for property and equipment with an estimated useful life greater than one year. Repairs and maintenance are charged to expense as incurred; major renewals, replacements, and betterments are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets which range from three to fifteen years.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Deferred Revenue

Deferred revenue results from the Bureau receiving membership fees and Family Gras funds in the current year for the following year.

In addition, a Cooperative Endeavor Agreement (CEA) was entered into with the State of Louisiana on December 8, 2021. As per the agreement, the Bureau received \$1,921,959 of funding as part of the America Rescue Plan Act of 2021 (ARPA). The funds were received in December 2021, and are to be used to provide funding for hospitality and tourism impacted by the Coronavirus (COVID-19). The grantor will monitor the Bureau to ensure compliance with the requirements of the CEA. The state may also terminate the agreement at any time after giving thirty days' notice. The Bureau did not spend grant funds during the year ended December 31, 2021. Since continuation of the agreement is contingent upon the fulfillment of various requirements stipulated in the grant, revenue will be recognized upon the fulfillment of the terms of the grant requirements. As a result, the funds received during the year ended December 31, 2021 are recorded as deferred revenue as of December 31, 2021.

j. Methods Used For Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most of the expenses can be directly allocated to one of the programs or supporting function. The Bureau maintains a separate set of records for the Family Gras program and those expenses can be directly allocated to that program. The salaries and benefits expenses are allocated based on the time and effort of the employees between program activities and administrative activities. The Bureau employs twelve full time employees, eight of which focus all of their time and effort on program activities, three other employees focus solely on administrative activities, and one employee allocates their time half and half between program and administrative activities. Based on this employee breakdown, the remaining expenses are allocated between 70% program and 30% administrative which approximates the time and effort of the employees.

k. Advertising

The Bureau expenses advertising costs as they are incurred. Advertising costs (marketing and promotion) totaled \$953,571 and \$1,321,804 for the years ended December 31, 2021 and 2020, respectively. Advertising is comprised of marketing and promotion expenses on the Statement of Activities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Donated Services of Volunteers

A substantial number of volunteers have donated significant amounts of their time in the conduct of the Bureau's program services. However, no amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services and management believes that the requirements for recording in-kind services have not been met.

m. Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Bureau is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Lease Discount Rate

In November 2021, The FASB issued ASU No. 2021-09, "*Lease Discount Rate for Lessees That Are Not Public Business Entities*" (Topic 842) currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities that have not yet adopted Topic 842 are required to adopt the amendments in this update at the same time that they adopt Topic 842.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, "*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" (Topic 958) the amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes property and equipment (such as land, buildings, and equipment), use of property and equipment or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for fiscal years beginning after June 15, 2022. The Bureau is currently evaluating the effect that the adoption of this standard will have on its financial statements.

n. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 13, 2022, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Bureau maintains its cash balances in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$250,000 per bank. Uninsured or non-guaranteed cash balances were approximately \$3,500,000 as of December 31, 2021.

Note 4 - DESIGNATED NET ASSETS

The Bureau's Board of Directors has designated part of the net assets without donor restrictions for the following purpose as of December 31, 2021 and 2020:

	2021	2020
Jefferson Parish Visitors Center construction	<u>\$362,923</u>	<u>\$344,598</u>

Note 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Subject to expenditure for specified purpose: Pontchartrain Center	<u>\$2,731</u>	<u>\$2,731</u>

There were no net assets released from restrictions during the year ended December 31, 2021.

Note 6 - INVESTMENTS

The Louisiana Asset Management Pool (LAMP), a local governmental investment pool, is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative by the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are registered to securities issues, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair

Note 6 - INVESTMENTS (Continued)

value. For purposes of determining participant's shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The value for LAMP's total investments totaled \$206,513 and \$206,418 as of December 31, 2021 and 2020, respectively.

Note 7 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020 is as follows:

	2021	2020
Land	\$ 1,053,652	\$ 1,053,652
Computer software	96,025	96,025
Equipment	35,997	35,997
Construction in progress	4,000	4,000
Leasehold improvements	3,154	3,154
Accumulated depreciation	1,192,828 (132,540)	1,192,828 (131,419)
Totals	<u>\$ 1,060,288</u>	<u>\$ 1,061,409</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,121 and \$12,468, respectively.

Note 8 - NOTES PAYABLE

On August 28, 2019, the Bureau executed a note payable in the amount of \$833,334 with Hancock Whitney Bank to purchase land. The loan was renewed on August 28, 2020. The agreement provided for monthly interest only payments at Wall Street Journal Prime with a minimum rate of 4% (4.00% as of December 31, 2021) and a balloon payment of \$833,334 due February 28, 2021.

Note 8 - NOTES PAYABLE (Continued)

On February 28, 2021, \$433,334 was paid on the loan and the remaining balance was converted to a note payable in the amount of \$400,000, which is due on February 28, 2026. The agreement provides for monthly principal and interest payments of \$4,206. The interest rate on the note payable is 4.75%. The note is secured with the land.

The outstanding balance of notes payable as of December 31, 2021 and 2020 was \$319,406 and \$833,334, respectively.

Future maturities of the loan payable as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2022	\$ 36,010
2023	37,758
2024	39,591
2025	41,513
2026	<u>164,534</u>
	<u>\$319,406</u>

Total interest expense incurred on the notes payable for the years ended December 31, 2021 and 2020 totaled \$23,525 and \$35,187, respectively.

Note 9 - PAYCHECK PROTECTION PROGRAM

On June 9, 2020, the Bureau received a \$167,700 loan from Fidelity Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan is 1.0%. This loan was repaid on May 11, 2021 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP. The funding was recognized as revenue in the year ended December 31, 2021.

On May 5, 2021, the Bureau received a \$167,685 loan from Fidelity Bank under the PPP of the SBA. Interest on the loan is 1.0%. Management expects that this loan will be repaid by SBA within 12 months and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP. Any amounts not forgiven would be amortized over a period of two years.

Note 10 - ECONOMIC INJURY DISASTER LOAN

On October 27, 2020, the Bureau received a \$149,900 Economic Injury Disaster Loan from the SBA. Interest on the loan is 2.75%, with monthly payments of principle and interest of \$641 which will begin October 2021. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal. Accrued interest as of December 31, 2021 totaled \$4,809.

Future maturities of the loan payable as of December 31, 2021 are as follows:

Year Ending December 31,	Amounts
2022	\$ 596
2023	3,632
2024	3,733
2025	3,837
2026	3,943
Thereafter	134,159
	\$149,900

Note 11 - RENT EXPENSE

The Bureau rents office space from Jefferson Parish on a month-to-month basis under the Cooperative Endeavor Agreement. The monthly rent is \$640. For the year ended December 31, 2021, additional storage space was rented for \$2,129. Rent expense totaled \$9,809 and \$8,154 for the years ended December 31, 2021 and 2020, respectively.

Note 12 - EMPLOYEE BENEFIT PLAN

The Bureau has a defined contribution plan (Simple IRA). The eligibility requirements for the plan require employees to earn at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employer contributions are based on a dollar for dollar match of employee's contribution with a maximum contribution not to exceed 3% of gross salary. Employer and employee contributions are fully vested immediately upon satisfying eligibility requirements. The pension expense for the years ended December 31, 2021 and 2020 was \$16,695 and \$17,662, respectively.

Note 13 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Bureau's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Bureau invests cash in excess of daily requirements in investments. Although the Bureau does not intend to spend from its investment funds other than amounts approved by the Board of Directors, amounts from its investment funds could be made available if necessary.

The Bureau receives grants with donor purpose restrictions. In addition, the Bureau generates revenue and receives grants without donor restrictions. Grants without donor restrictions, occupancy tax revenue, tourism support assessment revenue, Family Gras revenue, sponsorship revenue, investment income without donor restrictions, and miscellaneous income are considered to be available to meet cash needs for general expenditures. General expenditures include the Family Gras program, the tourism program, and general and administrative expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

The following table represents financial assets available for general expenditures within one year of December 31, 2021 and 2020:

	2021	2020
Financial assets:		
Cash	\$4,839,704	\$2,823,083
Accounts receivable	336,613	147,949
Investments	206,513	206,418
Total financial assets	5,382,830	3,177,450
Less amounts not available to be used within one year, due to:		
Contractual or donor imposed restrictions:		
Purpose restricted net assets	(2,731)	(2,731)
Board designations	(362,923)	(344,598)
Deferred grant funds - State of Louisiana	(1,921,959)	-
Total financial assets not available to be used within one year	(2,287,613)	(347,329)
Financial assets available to meet cash needs for general expenditures within one year	\$3,095,217	\$2,830,121

Note 14 - ECONOMIC DEPENDENCY

The Bureau is dependent on the Jefferson Parish Council to renew their revenue from the Cooperative Endeavor Agreements which transfers a portion of the net proceeds of the hotel occupancy tax. This agreement expires June 30, 2023. The Bureau is also dependent on member hotel assessment collections.

Note 15 - COMMITMENT

The Bureau entered into an agreement on December 5, 2016 with a website consulting company for the construction and hosting of the Bureau's website. The agreement calls for three years of licensing fees commencing in 2017. The Bureau extended the agreement for three years beginning on April 1, 2020. As of December 31, 2021, future minimum payments under this agreement are as follows:

<u>Year Ending December 31,</u>	
2022	\$34,500
2023	<u>8,625</u>
	<u>\$43,125</u>

SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2021

Agency Head Name: Violet Peters, Chief Executive Officer

Purpose

Salary	\$144,847
Benefits - insurance	526
Benefits - retirement	3,976
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	600
Travel	205
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	\$150,154
	<hr/> <hr/>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Jefferson Convention & Visitors Bureau, Inc.,
Harahan, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 13, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana

For the year ended December 31, 2021

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2021 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit of the year ended December 31, 2021 related to internal control over financial reporting.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana

For the year ended December 31, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2020.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2020.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2020 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2021

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Financial Statements**

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2021.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2021

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2021 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2021.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Jefferson Convention & Visitors Bureau, Inc.,
Harahan, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") management is responsible for those C/C areas identified in the SAUPs.

The Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Bureau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, Louisiana,
June 13, 2022

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2021

The required procedures and our findings are as follows:

Procedures Performed on the Bureau's Written Policies and Procedures:

1. Obtain and inspect the Bureau's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Bureau's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue.

Performance: Obtained and read the written policy for receipts and collections, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Written Policies and Procedures: (Continued)

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook and policies for contracting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the Bureau's ethics policy.
Not applicable for not-for-profit entities.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.

Procedures Performed on the Bureau's Written Policies and Procedures: (Continued)

- k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all of the functions listed above.

Exceptions: There were no exceptions noted.

- l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable for not-for-profit entities.

Procedures Performed on the Bureau's Board:

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Obtained the 2021 board of director meeting minutes and verified the board met quarterly with a quorum. Obtained the Bureau's bylaws and confirmed the board is required to meet at least quarterly.

Exceptions: There were no exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Bureau's collections during the fiscal period.*

Performance: The Bureau is not reporting on governmental model. We did inspect meeting minutes and determined that the minutes referenced or included financial activity relating to public funds and budget to actual comparisons.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Board: (Continued)

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable. The Bureau is a nonprofit organization. The governmental accounting model is not used.

Procedures Performed on the Bureau's Bank Reconciliations:

- 3. Obtain a listing of the Bureau's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Bureau's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter that the listing is complete. The main account and one other account were subject to the statewide agreed-upon procedures.

Exceptions: There were no exceptions noted.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained the selected monthly bank reconciliation for the main operating bank account and the other account selected. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- b) Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the Bureau's documentation for the selected bank reconciliations for the 2 bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

Exceptions: There were no exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months as of the end of the fiscal period.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing and verified procedures were performed by examining transaction documentation.

Exceptions: There were no exceptions noted.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee verifies the reconciliation.
Performance: Inspected policy manuals, inquired of client as to all of the requirements.
Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Collections: (Continued)

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

7. Randomly select 2 deposit dates for each of the 5 bank accounts selected for procedure #3 under "Procedures Performed on the Bureau's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

8. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Bureau has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved and verified procedures were performed by examining transaction documentation.

Exceptions: There were no exceptions noted.

- b) At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- c) The employees responsible for processing payments are prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed that the employee involved in processing payments cannot add/modify vendor files. Confirmed that another employee is responsible for periodically reviewing changes to vendor files.

Exceptions: There were no exceptions noted.

- d) The employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

10. For each location selected under #8 above, obtain the Bureau's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Performance: Obtained the Bureau's non-payroll disbursement transaction population, and received management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payment for testing.
 - Exceptions: There were no exceptions noted.
- a) Observe that disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Bureau.
- Performance: Observed the 5 disbursements matched the related original invoice/billing statements.
 - Exceptions: There were no exceptions noted.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- Performance: Observed the 5 disbursements included evidence of segregation of duties.
 - Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Received management's representation in a separate letter that the listing is complete.
 - Exceptions: There were no exceptions noted.
12. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

**Procedures Performed on the Bureau's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- b) Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- 2) Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that selected transactions were not for meal charges.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Travel and Travel-Related Expense Reimbursements:

14. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained a listing of all travel and related expense reimbursements during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Agreed reimbursement to actual cost documentation. Per diem rates were not used.

Exceptions: There were no exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Exceptions: There were no exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Contracts:

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation in a separate letter that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period, and received management's representation in a separate letter that the listing is complete. Selected 5 contracts for testing.

Exceptions: There were no exceptions noted.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected board meeting minutes and confirmed the board approved the contracts requiring board approval.

Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment were made in compliance with the contract terms.

Performance: Observed that the contracts selected were not amended.

Exceptions: There were no exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payment for the contract with 2021 payments, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Payroll and Personnel:

16. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test leave taken during that period. Inspected daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees.

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the Bureau's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- d) Observe that the rate paid to the employees agrees to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Payroll and Personnel: (Continued)

18. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Bureau's policy on termination payments. Agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files and agree the termination payments to the Bureau's policy.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records and the pay rates agreed to authorize pay rates in the personnel files.

Exceptions: There were no exceptions noted.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Ethics:

20. Using the 5 selected employees from procedures #16 under "Procedures Performed on the Bureau's Payroll and Personnel", obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

Not applicable for not-for-profit entities.

- b) Observe whether the Bureau maintains documentation which demonstrates each employee was notified of any changes to the Bureau's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

Procedures Performed on the Bureau's Debt Service:

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

Not applicable for not-for-profit entities.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable for not-for-profit entities.

Procedures Performed on the Bureau's Fraud Notice:

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Bureau reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Bureau is domiciled.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

24. Observe the Bureau has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Information Technology Disaster Recovery/Business Continuity:

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

Procedures Performed on the Bureau's Information Technology Disaster Recovery/Business Continuity: (Continued)

- a) Obtain and inspect the Bureau's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Performance: Obtained and inspected the Bureau's most recent documentation on the backups of its critical data. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

- b) Obtain and inspect the Bureau's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

Performance: Obtained and inspected the Bureau's most recent documentation that its backups can be restored and test/verification was performed. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

- c) Obtain a listing of the Bureau's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: Obtained a listing of the Bureau's computers currently in use and their related locations from management, and received management's representation in a separate letter that the listing is complete. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

Procedures Performed on the Bureau's Sexual Harassment:

26. Using the 5 randomly selected employees from procedure #16 under "Procedures Performed on the Bureau's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year.

Not applicable for not-for-profit entities.

27. Observe the Bureau has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Bureau's premises if the Bureau does not have a website).

Not applicable for not-for-profit entities.

Procedures Performed on the Bureau's Sexual Harassment: (Continued)

28. Obtain the Bureau's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the Bureau who have completed the training requirements.
Not applicable for not-for-profit entities.
 - b) Number of sexual harassment complaints received by the Bureau.
Not applicable for not-for-profit entities.
 - c) Number of complaints which resulted in a finding that sexual harassment occurred.
Not applicable for not-for-profit entities.
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
Not applicable for not-for-profit entities.
 - e) Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

- There were no exceptions noted.